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GANDER DEVELOPMENT CORPORATION

ANNUAL REPORT

FISCAL YEAR 1982 - 1983

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1. The Gander Development Corporation

1.1 Introduction:

The Gander Development Corporation is a Provincial Crown Corporation established by the Gander Development Corporation Act in 1975. It is responsible to the Lieutenant-Governor in Council through the Office of the Minister of Development. The Minister of Development oversees the carrying out of the powers, functions and duties conferred upon the Corporation by its Act.

The Corporation was established as a result of a decrease in the emphasis and importance of Gander International Airport due to the advent of larger, long-range jet aircraft which could over-fly Gander on trans-Atlantic flights. Being essentially a single industry community with its economic base heavily dependent upon the airport, Gander was placed in an unfavourable economic situation. The Corporation was given the mandate to enhance the airport's competitive position and also to assist in the diversification of the community's economic base.

As aviation fuel is of critical importance to viable airport operations, the Gander Development Corporation actively monitors price and quantity of fuel available to jet traffic for technical stops at Gander International Airport.

1.2 Objectives of the Gander Development Corporation:

The specific objectives of the Corporation as outlined in the Gander Development Corporation Act of 1975 are:

(a) To promote and assist in the industrial development of the Town of Gander and the surrounding area in relation to Gander International Airport;

(b) To promote use of and to assist in the development and expansion of services and facilities at Gander International Airport;

(c) To purchase, transport, store, handle, sell, supply, and deal in aviation fuel for Gander International Airport.

While the Corporation is involved in a wide variety of projects and activities, its primary function is to promote the services and facilities at the Airport to ensure Gander remains competitive in the International Aviation Industry. Particular emphasis in this regard is placed on marketing Gander as a Technical Stop for aircraft on the North Atlantic.

The Gander Development Corporation is also endeavouring to promote the Town of Gander as an industrial/commercial distribution centre for Newfoundland and Labrador. A central location, combined with excellent transportation facilities and community infrastructure, makes Gander an excellent location for this type of activity, as evidenced by the recently opened Co-Op Atlantic Warehouse/Distribution Centre.

To meet its objectives and to fulfill its functions, the Corporation embarks upon a wide range of activities that are both aviation and non-aviation oriented. The broad categories of activities include promotion and prospecting, community and industrial development, research and analysis, and liaison with all levels of Government and the private sector.

These broad categories can be broken down further, and entail analysing the economic assets and limitations of both the airport and community; conducting feasibility studies to determine economic opportunities; promoting the airport's and community's assets through marketing tours, trade missions and trade shows; assisting in the provision of needed infrastructure; maintaining market, transportation, and resource data; and keeping abreast of all Government regulations, incentive and assistance programs which directly relate to the expansion of industry.

The Corporation has not yet become directly involved in the procurement and sale of aviation fuel, as during fiscal year 1982-83 fuel supplies were more than adequate to meet the demand. The monitoring of fuel supplies and prices is of great importance to the Corporation, and liaison with all fuel suppliers located on the airport will continue to receive the highest priority.

1.3 Gander Development Corporation - Board of Directors and Staff:

The make-up of the Board of Directors of the Gander Development Corporation is quite diverse in that it is composed of a wide cross-section including representatives from the Provincial Government (Department of Development), the Federal Government (Transport Canada), the Municipal Government, a utility company, and individuals from the private and professional sectors. This diversity ensures that the major sectors have a close working relationship with the Corporation and have input into its activities.

During fiscal year 1982-83, significant personnel changes took place in that three (3) Board Members either retired or resigned and three (3) new Members were appointed by the Lieutenant-Governor in Council. The outgoing Members included Mr. A.J. Lewington, Mr. D. Blackmore, and Mr. F. Hewlett, while the new appointees include Mr. R.F. Symonds, Mr. E.B. Dohaney, and Mr. R. Rideout. Mr. W. Tucker, Ms. B. Wakeham, Mr. D.B. Sheppard, and Chairman Mr. D.E. Power are the other members of the seven person Board.

During 1982-83, Mr. D.A. Hallett occupied the position of Executive Director of the Gander Development Corporation, while Mr. T.D. Fudge continued in his role as Development Officer. Ms. J. Collins occupied the position of Office Manager/Secretary.

In July 1982, Ms. A. Bursey resigned as Secretary/ Receptionist. This position was subsequently frozen in response to budgetary restraints, with these duties being absorbed by Ms. J. Collins in her capacity as Office Manager/Secretary.

2. Projects of the Gander Development Corporation Fiscal Year 1982-83

The projects and activities of the Gander Development Corporation are divided into three basic categories: Primary Projects; Secondary Projects; and General Activities.

3. Primary Projects of the Corporation

3.1 Trans Oceanic Plane Stops (TOPS):

Participation in the Trans Oceanic Plane Stop (TOPS) Program continues to be a key function of the Gander Development Corporation. The TOPS Program was conceived in 1969 as a unique Government/Private Industry joint project whose objective is "to vigorously promote technical stop landings of trans oceanic international charter and scheduled airlines at Gander International Airport". The Program is a marketing strategy which includes a reduction of landing fees, the dissemination of promotional literature and information highlighting Gander's assets, and annual marketing tours.

From its beginning, the Gander Development Corporation had an affinity with the TOPS Program. Its mandate was devoted to the overall economic development of Gander in relation to all air-oriented activity in the "macro sense" while the TOPS Program was responsible for the promotion of a specific segment

within the air-oriented activity in the "micro sense", with both groups working toward a common end. The Corporation quickly became an active partner in the TOPS Team bringing with it, in addition to human, financial and other resources, a new element or dimension - a local (community/Provincial) vested interest.

One of the major TOPS activities includes annual marketing tours which, on average, are conducted two (2) or three (3) times a year. These trips or tours are vital in that they provide an opportunity to talk to regular airline customers regarding current and future requirements and to inquire if any problems are being encountered in their use of Gander International Airport. Clients are updated on landing fees, taxes, fuel prices, new airport facilities and given details of all services and capabilities of both private companies and government agencies operating at the airport. In addition to meeting regular customers, marginal and potential clients are also visited.

The Gander Development Corporation plays a very important role during these tours. For example, it provides customers with highly detailed airport profile information on the various airport companies and agencies. Such profiles are compiled at regular intervals and are an integral part of the Corporation's activities. The Corporation is also in a good position to inform clients on community related services including the accommodations sector. Tourism related opportunities and amenities are pointed

out in cases where airlines are utilizing or planning to utilize Gander for crew changes and other purposes. Air cargo potential concerning resource development, especially oil and gas prospects, have been discussed with several airlines that have shown interest.

During fiscal year 1982-83, the Corporation participated in two (2) marketing tours to airlines in Central and Western United States, and to those located on the Eastern Seaboard of the United States. TOPS Team participants on these trips also included Transport Canada and Shell Canada.

The first of these tours was held in the fall (October) of 1982 and consisted of visitations to eleven (11) airlines in Central and Western United States. The market potential in this area showed positive improvement from the previous year and proposed increases in technical stops by several airlines including American Trans Air, Global International, and Transamerica Airlines are projected. This trip also proved timely in that due to the many personnel changes among these airlines since previous tours, considerable time was spent in bringing these individuals up-to-date on services and facilities available at Gander International Airport.

The second TOPS tour was conducted in the Spring, 1983 (March) and consisted of visitations to eighteen (18) airlines on the Eastern Seaboard of the United States. This tour showed the first real sign of the upswing in the United States economy and if the plans of many of Gander's customers are realized, Gander will feel the impact of the upswing with increased

technical stops beginning in the summer of 1983. American Trans Air of Indianapolis will operate approximately one hundred and fifty (150) charter flights through Gander this summer ('83) and this operation will also include slip-crew changes at Gander. Indications from several other carriers show excellent promise and Gander should experience a busy summer period, especially in terms of the charter traffic.

Aside from participating in the marketing tours, the Gander Development Corporation's other TOPS activities include cost-sharing and involvement in joint ventures with other Team members such as providing promotional materials and TOPS Newsletters. In addition, the Corporation is involved in lobbying for, and closely monitoring, the Aeroflot fuel storage situation, evaluating the supply and price of aviation fuel, monitoring the services and capabilities of Gander's TOPS alternate airport at Stephenville, and liaising between Transport Canada at Gander, Moncton, and Ottawa, and with other TOPS members in the interest of achieving a competitive position for the Gander International Airport.

During the 1982-83 fiscal year, the Corporation undertook an in-house assessment of the TOPS Program. The report entitled "An Assessment of the Trans-Oceanic Plane Stops Program (TOPS) 1969-1982" looked at four aspects: (1) History of the TOPS Program; (2) Performance of the TOPS Program; (3) Impact of the Program; and (4) The Gander Development Corporation and the TOPS Program. The report concluded that

the East Bloc traffic constitutes a major component of the overall TOPS traffic and that U.S. economic and political sanctions against the Soviet Union and Poland are having a significant negative impact upon Gander's business. The Corporation's role was assessed and it was concluded that it should continue to be a TOPS partner and that its involvement should be expanded to include: direct public relations at Gander to the extent of meeting individual TOPS aircraft; greater direct contact and feedback with our client airlines on a year-round basis, and a more active role in the recording of airline landing statistics which is presently being handled by Transport Canada.

An on-going activity of the Corporation is to "zero-in" on specific airlines which show the greatest potential of using Gander by providing business activity which will be economically beneficial to the community. Once the companies are targeted, comprehensive written presentations outlining Gander's assets and favourable locational parameters are prepared for each company. In fiscal year 1982-83, three (3) presentations were prepared for the aviation sector which were directly related to the TOPS Program. These presentations contained up-to-date information on the advantages of using Gander International Airport, as well as current information on servicing, fuelling costs, etc. This material was prepared for Arista International Airlines (New York), American Trans Air (Indianapolis), and Arrow Air (Miami).

While a considerable amount of the Corporation's activities directly relate to the TOPS Program, it is also responsible for the promotion of overall air-oriented activity and therefore some marketing efforts indirectly benefit the TOPS Program. Such efforts include a major marketing venture directed towards executive jet traffic and an airport employee awareness program of the importance of salesmanship in dealing with airline customers. The Gander Development Corporation's on-going efforts to establish an air-oriented industrial park adjacent to Gander International Airport should also combine to positively impact the TOPS Program as well as other airport activity.

In February 1983 the Corporation, in conjunction with two (2) of its TOPS Team Members, Allied Aviation and Cara Caterers, hosted a meeting with the Administrator of the Canadian Air Transport Administration (CATA) in Ottawa, and the Regional Administrator from Moncton. Also in attendance at the meeting were the Board of Directors of the Gander Development Corporation and key Transport Canada management personnel.

The purpose of the meeting was to discuss three matters of importance to the Corporation: the status of the TOPS Program; the status of discussions between Canadian and Soviet authorities regarding the prospect of storing Soviet fuel at Gander International Airport; and the prospects of utilizing Gander to a greater extent for Canadian Customs clearance on flights destined to larger and more congested airports.

The meeting was considered to be very successful and during the discussion the Corporation was assured of continued strong Federal support of the TOPS marketing effort for the Airport. In addition, it was pointed out that significant progress had been made in talks between the Soviet and Canadian authorities with respect to the Aeroflot fuel storage proposal. The question of customs pre-clearance is currently under review.

The Gander Development Corporation places strong emphasis on liaison with those involved in Air Administration, and will continue to work closely with Transport Canada and the Canadian Air Transport Administration in the future.

3.2 Aviation Fuel:

During this past year, the Gander Development Corporation continued to monitor the availability and price of aviation fuel because unlike other Canadian airports, Gander International Airport relies heavily on direct marketing to attract technical stop traffic. Fuel at competitive world prices is a pre-requisite if Gander is to attract this type of traffic and maintain viability.

In addition to monitoring the supply and price of aviation fuel, the Gander Development Corporation maintains a close liaison with the fuel suppliers and the Federal Government in order to keep abreast of changes in fuel pricing policy and thereby keeping its customers well informed. For example, the Corporation is regularly updated regarding the monthly posted prices of the "just and reasonable price for international aviation fuel". A recent government aviation fuel tax rollback reduces the tax on the profits of petroleum refiners who sell aviation fuel for international flights. Under the rules which were established in March 1983, refiners now have to add nineteen dollars ($19.00) instead of the thirty-two dollars ($32.00) they were previously paying for every cubic metre of fuel sold to international flights. This tax has dropped from eighty dollars ($80.00) a cubic metre since it was introduced in February 1982.

The rollback has meant a reduction in prices of fuel from 3.2¢ per litre to 1.9¢ per litre, and has helped in bringing back to Canada air carriers that had started to buy the more competitively priced fuel in the United States.

The project for storing Soviet aviation fuel (Aeroflot Airlines) at Gander International Airport could be in place before the end of 1983. Major difficulties regarding the content of the Memorandum of Understanding between the Department of External Affairs and the Soviet Union have been settled. The lifting of the U.S. sanctions against Aeroflot on their Moscow - Washington flights would definitely give this project momentum and with Soviet fuel storage at Gander, the airport should obtain a substantial portion of Aeroflot traffic destined to Cuba, Mexico and South America.

3.3 Profile of Gander International Airport: Inventory of Services, Capabilities and Facilities:

An extensive survey of all airport companies and agencies (approximately 40) was undertaken during the summer and fall of 1982. The survey or profile consisted of meeting with the individual companies and obtaining detailed information on their services, capabilities and facilities. A comprehensive questionnaire was used during each interview which covered points including contact persons and their titles, complete addresses and telephone numbers, types of activities and services, number of employees, years of operation, inventory of facilities, inventory of equipment, locational factors, pros and cons of doing business in Gander, short-medium-long range plans, affiliate or associate companies, and a section for general comments. The companies and agencies were broken down by category of activity which included airlines, catering, security services, fixed wing charter/services, rotary wing charter/services, ground handling, government agencies, aviation refuellers, commercial retail, and other airport tenants.

This survey enabled the Corporation to update and expand its information base which will greatly enhance its marketing and promotional efforts. An important spin-off from this survey was the continuing maintenance of the much needed rapport between the Corporation and the companies for a "Team" approach to airport marketing. Another important benefit of

the survey was the feedback and insight received from these companies regarding the level and degree of service airport customers are receiving. The survey did reveal certain areas which could be improved upon; one being an airport employee awareness program of the importance of salesmanship in dealing with the airlines. In this regard, one of a planned series of airport newsletters has now been circulated to all airport employees outlining the importance of working together and ensuring that all aircraft receive "first class" service. The response to this first newsletter was very encouraging in that many suggestions were received on how service can be collectively improved at Gander International Airport.

3.4 Executive Jet Marketing Effort:

During fiscal year 1982-83, the Gander Development Corporation focused attention upon the corporate or executive jet market, a market which up until now was overshadowed by the marketing emphasis for the technical stop landings which consists of aircraft weighing 90,000 pounds and over.

There were several reasons for this new marketing endeavour with the most noticeable being the dramatic increase in the use of corporate and business aircraft over the last five (5) years, both in Canada and the United States. For instance in 1982, 185 business jets operated in Canada compared to 59 in 1975. In addition, in 1981 there were approximately 220 turboprop aircraft registered to Canadian Corporations. In the United States in 1975 corporate jets numbered 1,600; in 1980 this increased to 2,918; and 4,900 are projected for 1985. On a world-wide scale, in 1975 there was a total of 1,950 corporate jets which increased to 4,062 in 1980 while 6,800 are projected for 1985.

A recent study sponsored by the Canadian Business Aircraft Association (CBAA) showed that the major increase in corporate jet use was a result of two important factors:

(1) time travel savings for senior personnel; and (2) access to points not served by airlines. These reasons were highly rated because they could be directly translated into higher productivity levels, thereby increasing the overall effectiveness of Executives and Managers. Other factors included increased sales and improved marketing, ability to hold confidential enroute meetings, use of aircraft as a form of advertising, improved flight safety, and better personnel security.

Airline deregulation in the United States helped the increase in business aircraft use, as commercial airlines served fewer destinations with fewer flights. In Canada, resource-based growth, particularly the oil and gas sector, contributed to the increase.

For these and other reasons, the Gander Development Corporation began to concentrate on the executive jet market. After two months of research and co-ordination among the servicing companies at the airport a "promotional-technical manual" was designed and developed aimed for the use of the major executive jet handlers and charterers throughout Canada, the United States and Western Europe. Entitled "Gander International - A Complete North Atlantic Executive Jet Stop Package", the manual contains special information on such things as executive menus, handling fees, fuel, meteorological data, air traffic control, hotel accommodations, local amenities (especially salmon fishing) and other general material on Gander International Airport.

A smaller, less extensive information package was also designed for executive jet crews.

While it is too soon to gauge the impact of this new marketing initiative, early indications show that this effort will be highly successful in attracting trans-oceanic corporate flights to Gander International Airport.

3.5 Air Related Industrial Park:

At the writing of this report, it appears likely that a start will be made on the Gander Air Related Industrial Park in the next fiscal year - (1983-84). The Corporation has been informed of an agreement in principle between the Federal and Provincial Governments regarding an 18 million dollar Industrial Parks Program with the Gander park accounting for approximately 5½ million dollars of the proposed allocated funding. It is understood that the Federal Government will provide for 100% of the capital funding while the Province will be responsible for maintenance and administration.

The Corporation is assisting both the Newfoundland and Labrador Housing Corporation and the Department of Regional Industrial Expansion in an effort to facilitate the project by providing detailed information on various aspects of the proposal. It is expected that tenders will be called through the Federal Department of Public Works and Services.

The Gander Development Corporation will be the Province's promotional agent for Gander's park while the Newfoundland and Labrador Housing Corporation will be responsible for its administration.

There will be effective liaison between the Corporation and the Provincial Interdepartmental Parks Planning Committee, and it is felt that this will enhance the Corporation's efforts in bringing about a successful start-up of the air related park.

The Gander Development Corporation has been actively pursuing the Industrial Park project since the organization was established in 1975. Work done to date has included research into prospective tenants for the park, preliminary engineering surveys, legal work pertaining to covenants and guidelines for park operation and detailed research into a number of other matters of a technical and economic nature. In addition, an international marketing effort has been carried out in support of the proposed project, and it is felt that many of the contacts made to date will prove extremely valuable once the industrial park becomes a reality.

3.6 Co-Op Atlantic:

The Co-Op Atlantic Distribution Centre Project has been a very rewarding project for the Gander Development Corporation. It is considered to be a classic example of a successful prospect development case where the prospect, Co-Op Atlantic, was identified, made aware of an opportunity and the benefits of locating in Gander, and finally assisted in setting up in a new community.

Contact was first made with Co-Op Atlantic management in Moncton, New Brunswick in January 1981, and after almost two years of meetings, correspondence, research and negotiation, operations began at the new facility in December 1982.

Expansion of the 30,000 square foot facility is planned in a Phase II project which could see an extension of another 30,000 square feet in 1992. However, recent contact with Co-Op's management has revealed that the operation has, so far, exceeded what was first anticipated, and that expansion may be just 2 - 5 years away. In fact, the company is presently leasing extra warehouse space in Gander to handle this unexpected increase in its operations.

The 1.8 million dollar facility will employ 5 administration staff, 8 warehouse staff and there will also be temporary labour requirements for summer replacements at peak periods. Staff is expected to increase within the first 5 years and most, if not all, staff will be recruited from the local area.

3.7 Cool Storage Project and the Export of Fresh Fish:

As previously reported in last year's annual report the Gander Development Corporation has been assisting an entrepreneur in putting together a proposal for a dedicated air carrier service for the transport of fresh fish, particularly live lobster and eel, from points in Atlantic Canada, including Gander, to points in Western Europe. The operation which was to commence in May 1983 has met with some setbacks and frustrations particularly with regard to financing. However, the recommendations of the recently released Kirby Task Force Report pertaining to marketing could open new avenues for this project.

In concert with efforts to pursue the export of fresh fish products, the Corporation has recently undertaken a new initiative with respect to acquiring infrastructure - specifically, a cool storage facility, which will be a crucial component in the promotion of Gander International Airport for fresh fish export from Newfoundland. A proposal was developed based upon new information and material which was researched earlier; particularly the Quinn study entitled "Feasibility of Air Freighting Fresh Fish from Gander International Airport". The Corporation's recent proposal broadly outlines a concept which would involve a multi-use operation with space being leased to a wide variety of tenants.

The proposal also outlines the persistent dilemma in pursuing the concept of a fresh fish export market which, up until recently, has neglected the aspect of the total distribution concept incorporating all of the various functions. It also rationalizes the need for cool storage from both the transportation cost and promotional viewpoints, in addition to looking at several management options. Both the Ministry of State for Economic Development and the Department of Regional Industrial Expansion have been consulted for their technical input and it is hoped the project will qualify for Federal assistance.

Considerable support of the Corporation's efforts to develop this project has been provided by the Provincial Department of Development.

3.8 Offshore Oil and Gas:

The Gander Development Corporation continued its efforts to promote Gander and its international airport to the offshore oil and gas sector during 1982-83. The Corporation participated in two Oil Industry Trade Shows, the National Petroleum Show held in Calgary from June 8 - 10, 1982 and the CORE Show '82 held in Halifax from September 15 - 17, 1982. In addition to the excellent exposure to the oil industry gained from such shows, the Corporation was able to maintain old contacts and make new ones in its effort to promote aviation servicing at Gander International Airport.

In addition to attending trade shows, the Corporation continued other activities aimed at the oil and gas industry which included preparing and publishing various articles, and placing advertising in selected major oil industry journals and professional magazines. In addition, specific development proposals were prepared for various companies which have demonstrated high potential for using Gander International Airport. In fiscal year 1982-83, proposals were developed and presented to Canterra Energy Limited because of their planned exploration activities for the 1983 summer drilling program near Hopedale, Labrador, and to British Petroleum (BP Canada) whose 1983 offshore plans will concentrate on a summer seismic program to

determine a suitable location for a 1984 wildcat well. BP will be using Botwood as was the case in the mid 70's and Gander should be receiving spin-off business (particularly helicopter activity) as a result.

The Corporation's proposals contained information pertaining to infrastructure, services, socio-economic characteristics, locational parameters, logistics, and projections of what services and facilities Gander may be able to provide in the future.

Because of their proximity to Gander, the Corporation maintains close contact with groups and consultants involved with oil related activity in both Botwood and Lewisporte.

With Harvey Offshore Services located at the Air Terminal Building, and the recent establishment of a mainland company from Malton, Ontario - Hard Rock Drill Ltd., which will be engaged in offshore oil development work, Gander's role in east coast oil and gas activity is beginning to increase significantly.

4. Secondary Projects of the Gander Development Corporation

4.1 Tourist Brochure:

The Tourist Brochure Project which began during the last fiscal year, was successfully completed in 1982-83. The project was a joint effort of the Town of Gander, Gander Chamber of Commerce and the Gander Development Corporation. The Corporation provided input into the planning and design of the brochure and five hundred (500) copies were purchased to supplement Gander Development Corporation's promotional activities. A large number of brochures were distributed at Tourist Chalets across the Province and in Nova Scotia.

The brochure incorporates two themes, one depicting what Gander has to offer to the tourist by outlining several colorful pictures of points of interest, while the other theme is regional in context and describes, through pictures and miniature maps, three scenic routes which illustrate recreational parks, sport fishing and hunting.

Gander was recently approached by another community which sought approval to use the same format for its brochure.

4.2 Preliminary Work and Consultation with the Organizers of FISHO '81 Regarding Site Location for FISHO '82:

Considerable effort was extended in endeavouring to acquire extra space for the planned FISHO '82 as FISHO '81 which was held in Gander, was a huge success. In fact, the 1981 exhibition was so successful that several companies who had planned to participate could not do so because of the lack of exhibiting space.

Because of this demonstrated demand, greater space had to be arranged. In a co-ordinating effort with the show's organizers, the Corporation sought extra space in Gander which included a private hangar and the stadium. However, as time for the show approached, it became quite evident that even with the extra space, the demand could not be met and it was decided to move the location of the show from Gander to St. John's.

The show was subsequently called Marine '82 which incorporated oil and gas and marine related activities, in addition to the fisheries component. It was the first exhibition of its kind to be held in Newfoundland and was considered by all participants to be very successful.

4.3 Participation in Marine '82 (November 1982):

This project was another joint effort between the Town of Gander and the Gander Development Corporation. Both groups worked together on booth design and graphics, and cost-shared such items as booth materials, booth rent, advertising and promotion. New contacts were made in both the fishing and oil related sectors and in addition, older contacts were re-established with firms that had shown interest in Gander in the past. Of particular interest, in this regard, were discussions with a Fredericton-based plastics manufacturer who is presently using Gander as a distribution centre and who is looking seriously at setting up a branch manufacturing facility.

The concept of exporting fresh fish from Gander International Airport was also followed-up during the show, and in this regard discussions were held with the Ministry of State for Economic Development and the Atomic Energy of Canada Limited (AECL) concerning the procurement of holding facilities and alternate ways to preserve product freshness.

4.4 Convention Centre Study:

Contact was made on behalf of the Town of Gander and the Gander Development Corporation with the firm Laventhol and Horwath, a consulting group, who were engaged by the Provincial Government to determine the need, and best location for, a Newfoundland Convention Centre.

The Executive Director of the Gander Development Corporation and the Town Manager had the opportunity to meet with the consultants to outline Gander's assets and growth potential and these meetings were followed up by forwarding economic and locational information to the consultants.

4.5 Participation at FISH CANADA '82 - Halifax (May 1982):

The Gander Development Corporation participated in the largest fisheries exhibition ever staged in Canada in the Spring of 1982. The latest in equipment and technology was displayed by 250 exhibitors from several countries occupying some 40,000 square feet of booth space with additional floating displays at adjacent piers.

Gander Development Corporation's attendance at this exhibition served three purposes: (1) the promotion of Gander as a location for branch plant or distribution activity; (2) to aid in the promotion of Gander's only fisheries related manufacturing firm (Jenkins Industries) and to assist in its marketing efforts; and (3) to meet with specific companies and agencies regarding some of the Corporation's on-going projects.

In addition to the promotional aspects of the exhibition, new knowledge was gained in connection with the export of fresh fish. With regard to live lobsters, contact was made with a company experimenting with holding and packaging containers. In terms of air transport, contact was maintained with both Air Canada Cargo and Atlantic Skyline Cargo.

4.6 Unsolicited Proposals:

A regular activity of the Gander Development Corporation is to identify and "target in" on specific economic activity which shows the greatest potential. Once selected companies have been identified, comprehensive proposals which highlight the advantages of establishing in Gander are prepared and forwarded for their consideration.

Three such proposals were mentioned in the Trans Oceanic Plane Stops (TOPS) section of this report since they were directly related to the aviation sector, while two other presentations were prepared for the offshore oil and gas sector during 1982-83. In addition to these presentations, a major proposal was researched and forwarded to a Montreal-based textile manufacturer.

4.7 Site Location Inquiries/Information Requests:

Since promotion is an integral part of the Corporation's mandate, each year funding is budgeted for the purpose of advertising in popular trade journals and industrial development publications. Such journals include Area Development, Sites and Facility Planning, Plant Location, and the Site Selection Handbook. In addition to paid advertising, the Corporation takes advantage of special free listings which include industrial park profiles, and listings for major investments. For example in the issue of the Site Selection Handbook for February 1983, the Gander Development Corporation had two free listings; one outlining Co-Op Atlantic's major investment in Gander, and the other describing a free literature kit which is made available by the Corporation to potential investors.

During fiscal year 1982-83, the Corporation's advertising program resulted in fifty-four (54) site location inquiries, twenty-six (26) from Canadian companies and twenty-eight (28) from companies located in the United States. The inquiries came from a wide range of sectors; however, there was some concentration in the electrical component manufacturing, tool and mechanical manufacturing, and the wholesale-retail sectors.

In addition to these general site location inquiries, approximately ten (10) specific information packages were prepared and specifically "tailored" to the respondents request. While the majority of these requests came from Newfoundland companies, three (3) were from foreign companies located in Spain, Peru and England.

4.8 Support of Local Industry:

While a great deal of the Corporation's effort involves the attraction of new economic activity to Gander, it also supports companies that are already established in this area. This support takes various forms and includes marketing and management advice, facilitating contact for joint ventures with outside companies, and assistance with the preparation of proposals for various government support/ incentive programs.

This year, eight (8) local companies received the Corporation's support and assistance in pursuit of their business activities.

4.9 Newfoundland and Labrador Construction Association (NLCA) Plan Viewing and Bid Depository Facility:

In February 1983, the Gander Development Corporation was approached by the Newfoundland and Labrador Construction Association with respect to the possibility of setting up a Plan Viewing Room and Bid Depository in the Corporation's offices. Several discussions between the Corporation and NLCA ensued, and it was decided that the Gander Development Corporation was the logical choice to provide this service. Also the Corporation's office is quite accessible and "visible" especially for out of town NLCA members. The Corporation saw a two-fold benefit in that it would have a closer association with the Newfoundland construction sector and the project would produce a new source of revenue. Agreement in principle was reached and arrangements are now being finalized with the objective being to have the service "on stream" by June 01, 1983.

Basically, the service will entail the use of a small portion of the Corporation's present office space for local NLCA member contractors to privately view tender documents and plans. In addition, the facility will act as a receiving office or depository for bids submitted by the various sub-trades.

5. General Activities of the Corporation

In addition to the primary and secondary project activities undertaken by the Gander Development Corporation during the past fiscal year, the Corporation was involved in a wide range of auxiliary activities which are considered quite important in the carrying out of its mandate. A brief summary of some of these activities is as follows:

5.1 Offset Program - McDonnell Douglas (CF-18):

The Corporation was represented at a McDonnell Douglas Industrial Benefits presentation in St. John's regarding the CF-18 program. The company was briefed on Gander's assets and follow-up contact was made with local firms in Gander which the Corporation felt might benefit from the project. A detailed profile of Gander and its airport was forwarded to McDonnell Douglas while the company supplied the Corporation with names of key personnel in the Canadian Military who were subsequently made aware of the services and facilities at Gander International Airport.

5.2 Gander CFS to Base Status:

With the possibility of the Canadian Forces Station at Gander being upgraded to base status, the Corporation investigated the probable impact on its TOPS effort to promote Gander International Airport to East Bloc or Communist countries.

After discussions with the Department of National Defence, it was determined that there would be no negative impact while such a status change could ultimately lead to the stationing of Canadian Forces aircraft (fixed wing) in Gander.

5.3 Gander International Airport - An International Class Airport:

An in-house brief was prepared by the Corporation's staff regarding the significance of Gander Airport being an international class airport. The definition of such status was supplied by Transport Canada, and information regarding the impact of this designation was derived from a number of studies and reports, most particularly a recent Delcan/ Wallace study.

5.4 Alternative Site Locations for Industrial Land Use:

With only six acres of land remaining in the Carr Crescent Industrial Park and given the uncertainty surrounding the proposed Air Related Industrial Park, the Corporation, in consultation with the Town of Gander, prepared an overview of potential locations for future land use. Some new areas were identified and the relative merits of each were outlined.

5.5 Assistance to Gander Chamber of Commerce: Community Socio-Economic Survey:

The Corporation's staff assisted the Gander Chamber of Commerce in undertaking a door-to-door survey regarding social and economic attitudes of the community. Assistance included questionnaire design, a presentation to the survey team regarding interviewing techniques, help with regard to the processing of data, and input into the final analysis of the survey's results.

5.6 Seminars and Workshops:

Throughout the year, the Gander Development Corporation has either co-sponsored or participated in a number of seminars and workshops.

The Corporation and various institutions such as Federal Business Development Bank and the Memorial University School of Business maintain close contact in order to determine what subjects are of greatest interest given the Corporation's knowledge of the community's business climate.

These institutions or training groups also avail of the Corporation's lists of clients and businesses in Gander in general, for promotional purposes. During the past fiscal year the Corporation assisted two Federal Business Development Bank seminars, facilitated a "Census '81" presentation, and participated in the seminar "Woodchips as an Alternative Fuel".

5.7 In-House Reviews of Federal and Provincial Policies and Programs which affect Gander Directly or Indirectly:

A routine activity of the Gander Development Corporation involves the regular monitoring of changes in Government Departments as well as keeping in tune with almost three hundred government assistance or support programs. The Corporation's staff maintains an on-going file on all types of government programs (both Provincial and Federal) and this file is being constantly updated.

5.8 Town of Gander Development Committee:

The Corporation maintains close ties with the Gander Town Council which is facilitated by attendance at the regular meetings of the Council's Development Committee. These meetings are important in that both groups are kept aware of each others activities, to ensure that the Town and the Corporation work in parallel toward a common goal.

5.9 Liaison with the Gander Chamber of Commerce:

The Corporation is fully cognisant of the need to maintain a good working relationship with the business community in the Gander area, and this is accomplished by membership and active participation in the Gander Chamber of Commerce.

Topics of particular interest to the private sector are discussed with Chamber of Commerce members on a regular basis at both executive and general membership meetings, and during fiscal year 1982-83, the Corporation's Executive Director served as Chairman of the Chamber's Economic Development Committee.

6. Outlook - Fiscal Year 1983-84

Since the formation of the Gander Development Corporation in 1975, the main emphasis has focused on the active promotion of Gander International Airport to the aviation industry, particularly those airlines operating on the North Atlantic. During 1983-84, this activity will continue to be given very high priority and it is felt that with continued participation in the Trans Oceanic Plane Stops (TOPS) Program, and an anticipated up-turn in the world economy, technical stop landings at Gander should increase from the level experienced in the last fiscal year.

In its continuing efforts to increase traffic through Gander International Airport, the Corporation plans to place much greater emphasis on the executive jet technical stop market in the coming year. Using material which has been developed "in-house", the Corporation will be actively contacting executive jet consulting groups, corporate aviation departments, and the pilots themselves, to ensure that Gander is well known in this somewhat specialized aviation market.

As in the past, the Corporation plans to aggressively promote Gander to industrial prospects with a view to attracting new investment and diversifying the economic base of the community. In concert with this activity, work will continue towards the establishment of a modern, well planned industrial park adjacent

to Gander International Airport. A great deal of work has already been done on this project, and it is anticipated that funding for the industrial park and access road will become a reality in 1983-84.

Liaison with the Provincial and Federal Governments will continue to be a high priority in the year ahead as work continues toward improving the economic prospects of Gander International Airport, and making more industrial land available for development. At the local level, the Corporation will continue to work closely with the Town of Gander and the Gander Chamber of Commerce to keep up to date on matters of concern to the community, and to ensure a co-ordinated approach to development.

In 1983-84, the Corporation plans to become more closely associated with the construction industry. It is hoped that discussions currently underway will lead to the establishment of an office of the Newfoundland and Labrador Construction Association on the premises of the Gander Development Corporation in the Spring of 1983.

The Board of Directors and Staff of the Gander Development Corporation acknowledge the strong support and cooperation of the Provincial Department of Development, and look forward to continuing this association in the coming year.

7. Financial Statement

The budget for the Gander Development Corporation for the fiscal year 1982-1983 was $175,000.00. This amount was subsequently reduced to $165,000.00 because of prevailing economic conditions.

A financial statement for fiscal year 1982-1983 has been prepared by the Corporation's accountants, and this document is available under separate cover. An audited statement from the office of the Provincial Auditor General will be forthcoming in due course.